



SECTION 13

Other Budget Reports

Reports in this section are additional items required because of statutory provisions or because they provide data not included in the regular forms. These instructions apply only to agency budgets with the indicated funds or activities. Samples are shown here or in Appendix A-4.

13.1 State matching requirements for federal funding



State matching requirements for federal funding (RCW 43.88.090(1))

Agencies must provide a list of any state matching requirements for federal grants (both operating and capital budgets) they receive. Please include this information in your budget submittal in a table like the sample shown below. Also forward an electronic copy of this table to David Ward at OFM at David.ward@ofm.wa.gov. The data includes the federal catalog number, the activity inventory number for the most significant activity using the grant in the operating budget, and the match amount required for four federal fiscal years and four state fiscal years – 2004-2007.

		Page
AGENCY	Code	Title
	XXX	ANY AGENCY

2005-07 FEDERAL FUNDING ESTIMATES SUMMARY

DATE: 7-6-04

CFDA NO.*	Agency/	Federal Fiscal Year	State Fiscal Year	State Match Amounts
	Agency Total			
	FY 2004	6,459,857	6,502,000	175,000
	FY 2005	6,441,000	7,862,000	150,000
	FY 2006	6,925,000	8,485,000	175,000
	FY 2007	7,500,000	9,075,000	250,000
11.407	Department of Commerce Interjurisdictional Fisheries Act Activity # A102			
	FY 2004	5,000,000	4,500,000	50,000
	FY 2005	5,100,000	6,000,000	50,000
	FY 2006	5,500,000	6,500,000	50,000
	FY 2007	6,000,000	7,000,000	50,000
15.605	Department of Interior Sport Fish Restoration Act Activity # A105			
	FY 2004	945,000	1,438,000	125,000
	FY 2005	952,000	1,447,000	100,000
	FY 2006	975,000	1,550,000	125,000
	FY 2007	1,000,000	1,600,000	200,000

*Catalog of Federal Domestic Assistance

13.2 Non-budgeted local fund summaries

Non-budgeted local fund summaries (RCW 43.88.030(1)(f))

The Non-Budgeted Local Fund Summary (B10 format) is used to summarize financial data for non-budgeted local funds that are outside the state treasury. Data can be entered in an Excel spreadsheet available from OFM. This information will be displayed in the Governor's budget document.

Instructions:

- a) Narrative description: List in account code number sequence all non-budgeted local accounts within the agency. Include the full title of each account, a brief description of purpose and source of revenue, and the statutory authority.
- b) Summary Financial Statement: In addition to the narrative descriptions described above, prepare a summary financial statement of fund balances on the B10 format. List each non-budgeted local fund by fund-class sequence.

The fund balances shown for June 30, 2005 and June 30, 2007 should be reported on a modified GAAP basis (refer to Section 8.2).

13.3 Central service agency charge information

OFM will determine the maintenance level increment for certain central service agency charges

OFM will determine the amount to add to each agency's maintenance level in 2005-07 for the central service agency charges listed below. The carry-forward level will reflect the changes to these charges made in the supplemental budget.

Administrative Hearings (Account 484) – The Office of Administrative Hearings uses this account for the provision of administrative hearings services to state agencies.

Archives and Records Management (Account 006) – This account is used for the Office of the Secretary of State's archives and records management functions.

Auditing Services (Account 483) – This account is used by the State Auditor's Office for the centralized funding, accounting, and distribution of auditing costs to state agencies.

Data Processing (Account 419-appropriated portion) DIS-Policy and Regulation Services – Agencies with significant information technology equipment and staff pay into this fund to support the cost of policy and oversight staff support to the Information Services Board (ISB). The ISB approves acquisitions, sets policy, and monitors projects for information technology statewide.

Financing Cost Recovery (Capital Lease Program Account 739) and Thurston County Capital Facilities (Account 289) – RCW 43.01.090, (Chapter 219, Laws of 1994) created two charges related to the construction, renovation, and occupancy of certain space owned and managed by the Department of General Administration (GA) in Thurston County. One of these charges is for financing cost recovery of construction or major renovation projects of such space, and the other is a capital project surcharge to cover some of the costs of ongoing capital projects. These are in addition to all existing facilities and services, seat of government, and Division of Facilities, Planning, and Management (DFPM) lease management charges. (See Appendix A-3 for more information regarding these charges.)

General Administration Service (Account 422) - This account is used by the Department of General Administration to provide a variety of services to other state agencies. However, only services charged through the Facilities and Services billing are treated as an adjustment made by OFM. Agencies should plan to include increases for other GA services in their budget requests if they can't be absorbed.

Legal Services (Account 405) – RCW 43.10.150 created the Legal Services Revolving Fund for centralizing the funding and cost distribution of actual legal services provided to all state agencies.

Office of Minority and Women's Business Enterprises (Account 453) – This agency provides a standard certification of minority and women-owned and controlled businesses.

Agencies will verify the account split that OFM will use for the change



We are asking agencies to verify the account split that OFM will use when making the incremental increase in these charges in the Governor's budget. OFM will send this information to agencies for verification in the spring.

Notify service agencies about extraordinary service needs

Agencies that anticipate requiring an unusual or extraordinary level of service should contact the appropriate service agency to discuss the anticipated nature and scope of the need. This approach will enable service agencies to include an appropriate estimate and cost of the service to be provided to the agency.

Performance level change requests for these services must be in both client and provider agency budgets

If a client and service provider agency see a need to increase the type or utilization level of a service, both the client and provider agency must include a performance level request for this increase in their budget submittal. This is important to help OFM keep these requests synchronized in the budget.

Central service agencies must provide additional information

As part of their budget submittals, service agencies must provide an agency billing list for the current biennium and for the 2005-07 total proposed budget. This list should include the estimated annual amounts to be charged each user agency, and, if a direct staff service, the FTE staff involved with each user agency. Also, each maintenance or performance level decision package must provide an example of the increased charges to small, medium, and large agencies. This will help OFM evaluate the cost implications of the decision package on other agencies. The total billing amount must be reconcilable to the agency's B9 revenue estimate.

OFM will provide a formatted spreadsheet to the central service agencies for their use in preparing this list.

Central service agency amounts are estimates

It should be noted that the central service agency amounts included in client agency budgets are estimates and the actual billings from the service agencies will be based on services rendered. It is expected that client agencies will pay these billings timely and in full as they would bills from other vendors.

13.4 Six-year program and financial plans for transportation agencies

Who is required to submit six-year program and financial plans?

Transportation agencies must prepare their biennial budgets and strategic plans in the context of their adopted six-year comprehensive program and financial plans. RCW 44.40.070 requires all state agencies whose major programs consist of transportation activities to provide six-year plans. Agencies meeting this criteria include the following:

- Department of Transportation
- Transportation Improvement Board
- Washington State Patrol
- Department of Licensing
- Traffic Safety Commission
- County Road Administration Board
- Board of Pilotage Commissioners
- Freight Mobility Strategic Investment Board
- Marine Employees' Commission
- Transportation Commission

Where to submit the plans

Submit six-year financial plans to the designated planning coordinator at the Department of Transportation, Financial Planning Office, Mail Stop 47400, Telephone (360) 705-7529, Fax (360) 705-6886. The coordinator will consult with the agencies, provide technical assistance when appropriate, and forward final agency financial plans to OFM.

Submit only the six-year financial plans to the coordinator. Other program plan information, project lists, and budget information should be submitted directly to OFM.

Agencies that have transportation budget appropriations out of treasury accounts they do not administer should submit their six-year financial information through the administrators of the funds that their plans impact. Use the Fund Reference Manual at OFM's website at <http://www.ofm.wa.gov/fund/maintoc.htm> to find the designated fund administrator for each fund.

When are the plans due?

The six-year plans are due on the same date that the agency budget is due. Refer to Appendix A-1 for agency budget submittal dates.

What is a six-year program and financial plan and what information do I need to provide?

Six-year program and financial plans detail the general objectives and needs of an agency's major transportation programs over a six-year period.

Agencies shall submit the following six-year financial information to the designated coordinator:

- Six-year operating and capital expenditures at the program level. Capital program expenditures submitted in the financial plan shall be consistent with project-specific and grant expenditure information submitted directly to OFM.
- Six-year revenue estimates by fund and source for each account administered by the agency.
- Combined six-year revenue and expenditure information as required by RCW 43.88.030. This includes information on the undesignated fund balance or deficit by fund, and any additional information related to program expenditures or revenues as the Legislature may direct by law.
- A discussion of the assumptions in the six-year plan, including explanations addressing the level of bond sales, the use of federal or private/local funds (and required state match), and assumptions underlying the biennial beginning fund balance. Future biennia spending projections that are based on assumptions other than inflationary increases should be described.

Project lists and other program plan and budget information shall be submitted directly to OFM and shall include:

- Six-year estimates of all policy items (both revenues and expenditures) that represent increases or decreases from current revenue forecasts and/or maintenance level program expenditures.
- A detailed six-year capital program at the project level or, in the case of capital programs that administer grants, a summary of projected grant expenditure levels. Department of Transportation Highway Preservation and Improvement programs shall conform to the requirements of RCW 47.05.030.
- Combined six-year program information as required under RCW 43.88.030. This includes any additional information related to workload, performance, or personnel as the Legislature may direct by law.

Agencies shall submit six-year financial and program plans for each treasury account the agency administers and include input from other agencies using the administered accounts.

Over the last several years, the Legislature has shifted from the statutorily required six-year planning horizon to a ten-year timeframe. In order to accommodate these additional revenue and expenditure information needs, we ask agencies to provide ten-year financial and capital program information for those programs where an impact other than inflation should be considered.

Separate six-year program and financial plans are required for each version of an agency's budget

Agencies must submit separate versions of their six-year financial and program plans for each version (i.e., current law, revenue reduction, and new law as described below) of the agency's budget. At least one version shall be based on current law revenue forecasts and program expenditure levels. This version should be constrained by current law financial resources and include any requested changes to current performance.

If new revenues are proposed above current law forecasts, the agency shall provide a discussion of the source, the forecast assumptions, and the purpose of the new revenue.

What resources are available to help me develop my program and financial plan?

OFM has designated a planning coordinator from the Department of Transportation to provide technical assistance and compile six-year financial planning information from transportation agencies. You can contact them at (360) 705-7529 or (360) 705-6886 - fax.

13.5 Puget Sound Water Quality Work Plan expenditures

Requirements for agencies which received Puget Sound Water Quality Work Plan funding

The Puget Sound Action Team Work Plan (work plan) guides water quality and biodiversity protection efforts of federal and state agencies, and local and tribal governments in the Puget Sound basin. Agencies are required to submit proposed Puget Sound Action Team Work Plan expenditures. This includes identification of both current funding and proposed adjustments. As part of the budget development process, agencies will need to work closely with the Puget Sound Action Team staff (Action Team staff) and OFM regarding work plan expenditures. RCW 43.88.030 and 90.71.050 require identification of expenditures necessary to implement the work plan. Specifically, the information detailed below is needed.

Requirements for the 2005-07 budget

All agencies that received funding to implement the 2003-05 work plan must identify, by work plan agency budget code and fund source, all actual and estimated expenditures to implement the work plan in the 2003-05 Biennium. This information will be submitted to the Action Team staff who will prepare an interagency summary.

These agencies also are required to identify proposed 2005-07 Biennium work plan expenditures and submit them to the Action Team staff. These expenditures will be grouped by budget codes as they were for this biennium. Each budget code will be associated with a particular action or set of actions in the work plan. The Action Team staff will assemble agency-proposed work plan expenditures as part of the process of developing the 2005-07 work plan and for use in the Governor's proposed budget document.

Activities continuing from the 2003-05 work plan will need to reflect cost-of-living adjustments and other staff-based cost increases, as well as reasonably anticipated cost increases for other essential goods and services. New activities will require an estimate of the scope and cost of work involved. This means that agencies work closely with the Action Team staff in identifying and prioritizing proposed activities and expenditures related to the work plan.

The Action Team staff will be transmitting specific budget codes, budget instructions, and electronic forms to agencies in early June 2004 for agencies to use in submitting 2003-05 estimated expenditures and proposed 2005-07 work plan actions and budgets to them concurrent with their budget submission to OFM in August/September 2004. In October 2004, the Action Team partnership will convene to discuss and approve the 2005-07 work plan, and then prepare a final 2005-07 work plan and budget by the end of October 2004.

13.6 Other budget reports and data



Updating agency descriptions

Agency descriptions and missions must be published as part of the budget document. We will send agencies a template in June that will contain the most recent agency description and mission statements. Agencies wishing to make changes should return the updated template to Laurie Lien at Laurie.Lien@ofm.wa.gov no later than their agency budget due date.

**Confirm updated
second-year
expenditure estimates**

In September, OFM will ask agencies to review and confirm our estimates of second-year (Fiscal Year 2005) expenditures. These estimates, along with Fiscal Year 2004 actual expenditures (as of CAFR Phase II), will be used for fund balancing for the 2005-07 budget proposal.

We plan to use a different, and we hope more efficient, approach to developing second-year estimates this time. Rather than asking agencies to develop the estimates and submit them through BDS, OFM will develop estimates based on this formula:

Expenditure Authority - First Year Actuals - Reserve - Unallotted.

For General Fund-State appropriations, we will use the second-year allotments as estimates. These calculated estimates will be sent to agencies for review in mid-September, shortly after CAFR Phase II close. Agencies will have approximately two weeks to review and confirm or modify the estimates. Agency comment will be due September 30.

**Reports on savings
incentive account
expenditures for each
fiscal year**

In mid-September, OFM will send instructions to agencies requesting information on the use of the Savings Incentive Account allocations in Fiscal Year 2004. Statute requires OFM to report on the use of this funding by December 1 of each year.